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DD/S&T-2353-53

8 December 1963

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting on 6 December 1963 with NRO Comptroller and Executive Officer

1. [] and [] Comptroller and Executive Officer, NRO respectively met with members of the Office of Special Activities in the OSA Conference Room on 6 December. [] explained that the purpose of his visit was to (a) become acquainted with the methods, procedures, and practices employed by OSA in the execution of Program B; and (b) to levy on the Director, Program B, certain reporting requirements which [] would need in NRO Program Status Reports he must furnish quarterly to the D/NRO. [] made it clear that he did not want to levy on the Director, Program B, any unreasonable and time-taking requirements. Apparently, the impetus for this requirement stems from a directive issued by [] to each of his department heads requiring more extensive reporting on the status of programs and application of funds. [] gave examples of the kind of detail he would want from OSA and was assured by Messrs. Paragovsky, [] that the information was available and could be reported on with very little additional administrative effort.

2. [] explained that as Comptroller, NRO, he had certain responsibilities to the D/NRO which he could more readily carry out if he were made familiar with the procedures, techniques, and controls employed by the Director, Program B, and the Comptroller, CIA, in the (a) negotiation and execution phases of contracts, including contract format, cost analyses employed, audit procedures in force, maintenance of records and the application of funds; (b) internal controls employed by Director, Program B, to ensure that the obligation authority given to the Director, Program B, by Comptroller, NRO, was not exceeded in the placement of contracts.

3. [] OSA Contracting Officer, recounted the history of the development of the overhead reconnaissance program from its inception in 1956 to the present time. During this period, he explained, much experience had been gained in all aspects of the contracting effort, which experience had been utilized to the best possible advantage as the scope of the contracting effort was expanded. He explained and showed examples

NRO review(s) completed.

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Executive Officer

of the records maintained in the Contracting Division which reflect the continuing development from inception of a specific contracting effort. [redacted] was quite interested in the contract auditing function. [redacted] supplied him with the names of the contract auditors on duty full and part time at the various major contractors. [redacted] (Office of Finance) explained to [redacted] the financial records maintained and the controls employed in OSA and in the Office of Finance to ensure the proper application of funds availability and obligational authority to the contracting effort. [redacted] appeared to be satisfied that the contracting effort was being handled properly, that adequate and meaningful records were maintained, and that appropriate controls were in force. He went on to say, however, that the D/NRO was responsible to take every possible step to ensure that NRO funds were being employed in a manner to get the most for every dollar invested. Consequently, the D/NRO has directed [redacted] to visit the major contractors' plants together with CIA personnel familiar with the Program, with the view that an on-the-spot assessment might be made of the integrity of the contractor with respect to contract costs and products delivered. The first of these visits is to be made to the West Coast during the week of 9 December. [redacted] has been designated by Colonel Ledford to accompany [redacted] on this trip.

/s/
[redacted]
Plans and Programs Staff
Deputy Director
(Science and Technology)

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